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August 28, 2012

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Notice Concerning Acquisitions of New Assets
(“Hotel Keihan Universal City” and “Hotel Sunroute Shinbashi”)

This is to announce that Japan Hotel REIT Investment Corporation (hereinafter called “JHR”) has resolved to acquire two properties below (hereinafter called “New asset”) today.

1. Summary of the new assets

Names of new assets	Hotel Keihan Universal City	Hotel Sunroute Shinbashi
Category of new assets	Beneficial interest in trust	Beneficial interest in trust
Asset type	Hotel	Hotel
Classification (*1)	Resort Hotel	Business Hotel
Grade (*2)	Mid-price	Mid-price
Rent type	Fixed rent	Fixed rent and variable rent (partial)
【Acquisition price】 planned (*3)	JPY6,000,000,000.-	JPY4,800,000,000.-
Conclusion of the acquisition agreement (*4)	August 28, 2012	August 28, 2012
Acquisition date planned	September 19, 2012	September , 2012
Seller (*5)	Hulic Co., Ltd.	Hulic Co., Ltd.
Funding (*6)	Own fund, loan and public offering	Own fund, loan and public offering
Collateral	Mortgage is settled.	Mortgage is settled.

(*1) Hotels are classified into “Business Hotel”, “City Hotel”, and “Resort Hotel” based on its operation type.

(*2) JHR has classified the hotel grade into “Luxury class”, “Upper middle class”, “Mid-price class” and “Economy class” based on the average daily rate.

(*3) The acquisition price above is based on the acquisition price stated on the acquisition agreement. The acquisition price does not include the acquisition cost, fixed asset tax, the city planning tax and consumption tax.

(*4) In order to acquire the asset on the scheduled day, JHR has concluded the agreement to transfer the beneficial interest in trust with condition precedent (hereinafter called “transfer agreement with condition precedent”) with the seller. See “7. “Transfer agreement with condition precedent” for detail.

(*5) See “4. Summary of the seller” below.

(*6) See “Notice Concerning New Loan” dated today for borrowing and “Notice Concerning Issuance of New Investment Units and Secondary Offering” dated today for fundraising by issuing new units and secondary offering respectively.

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2. Rationale of the acquisition

JHR merged with Japan Hotel and Resort, Inc. effective on April 1, 2012, and positively pursues the replacement of the asset portfolio for carrying out the growth strategy further followed by the merger. Taking maximum advantage of the position and the superiority that JHR is the only REIT in Japan specifying in hotel, JHR will continuously propel acquisitions of new hotels that are competitive enough to capture both domestic and foreign leisure customers who are expected to increase along the growth of the Japanese tourism industry irrespective of the hotel type such as business hotel, city hotel, or resort hotel.

The acquisitions of the new assets are in accordance with the external growth strategy of JHR, and JHR believes that they are the hotel real estates with strong competitive edges to accommodate steady business and leisure demands. JHR plans to acquire them at below the appraisal values by the direct negotiation with the seller, evading the price competition in the market. As a result, JHR will ensure the investment return which is higher than NOI (Net Operating Income *1) of the existing properties in the portfolio.

*1) NOI yield : $\text{NOI} \div \text{acquisition price}$

NOI = Income of the real estate leasing business – Cost of the real estate leasing business + Current depreciation cost

NOIs are the NOIs used for the appraisal reports of Rich Appraisal Institute dated July 13, 2012 for Hotel Keihan Universal City and of Daiwa Real Estate Appraisal Co., Ltd. for Hotel Sunroute Shinbashi dated July 13, 2012. They are the assumed NOIs for estimating the prices by the direct reduction approach.

JHR believes that the acquisitions of the new properties will contribute to expand the asset size, improve the profitability and stability of the portfolio, and increase NAV (Net Asset Value)(*2).

The characteristics of new assets are as below:

*2) NAV is to evaluate the value of the real estate related asset based on the appraisal value. It is the net asset of JHR converted into the market value (variance between the total asset and net asset) and is different from the fiscal net asset.

The characteristics of the new assets are as follows:

1. Hotel Keihan Universal City

This new asset is situated at Konohana-ku, Osaka and is one of the four official hotels of the entertainment facility, Universal Studio Japan (hereinafter called “USJ”), which boasts the second largest number of visitors in Japan following the Tokyo Disney Resort. The asset is adjacent to USJ site and has 330 guest rooms in total. JHR has already owned Oriental Hotel Tokyo Bay, a partner hotel of Tokyo Disney Resort, thus the acquisition of the Hotel Keihan Universal Hotel results in owning the major urban resort hotels of both East and West Japan in our portfolio.

According to the Market and the Business Research Reports made by Deloitte Tohmatsu Financial Advisory Co., Ltd., for this hotel dated July 13, 2012, eight million people are annually visiting the adjoining entertainment facility, USJ, and even more visitors are expected after the opening of the new attraction site in 2014. Moreover, the new property has good access from “Universal City Station” of JR Yumesaki line (one minutes on foot), and is at the “Universal Citywalk Osaka” where many commercial facilities are concentrated. Thus, the new asset is deemed to have a strong solicitation to the young families who are the main target of the new asset.

2. Hotel Sunroute Shinbashi

This new asset is situated at Shinbashi, Minato-ku, Tokyo, and is the business hotel with 220 guest rooms in total. This asset has good access from “Shinbashi” station which is one of the major terminal stations in Tokyo Metropolitan area (four minutes on foot), and is at a bustling district with many restaurants. Thus, the stable profit is expected from this asset by its convenience and new building constructed 4.5 years ago.

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According to the market report made by Japan Hotel Appraisal Co., Ltd. on July 2012 for this hotel, Shinbashi area is regarded as the area accommodating not only the present business customers but also leisure customers due to good access to Haneda Airport where the passengers of the international flights have been rapidly increasing since completion of the new International passengers terminal in 2010.

JHR evaluates that this new asset has clean and stylishly designed guest rooms thus has strong competitive edge in the surrounding market.

3. Detail of the new assets

Please refer to the attachment 1 and attachment 4 for detail of new assets.

4. Summary of the seller

Name	Hulic Co., Ltd.(*)
Headquarter	2-5-13 Nihonbashi, Chuo-ku, Tokyo
Representative	Saburo Nishiura, Representative Director and President
Capital	JPY8.207B as of July 1, 2012
Establishment	March 1957
Net asset	JPY25.856B as of June 30, 2012 (consolidated accounting)
Total asset	JPY148.076B as of June 30, 2012 (consolidated accounting)
Major shareholder	As of July 1, 2012, (Numbers below are each share.) Tokyo Tatemono Co., Ltd. (9.12%), Meiji Yasuda Life Insurance Company (8.88%), Fuyo General Lease Co., Ltd. (7.68%), and Yasuda Real Estate Co., Ltd. (5.75%)
Major businesses	Real estate owning, leasing, sales and brokerage.
Relationship between the seller and JHR or its asset management company	Relationships that should be statutory reported such as capital relationship, human relationship, and business relationship do not exist between JHR, its asset management company and the seller. The related parties of JHR and its asset management company do not have any capital, human, and business relationships that should be specifically reported with the related parties of the seller. The seller is not the related party of JHR and its asset management company. The related parties of the seller have no capital and human relationships with the related parties of JHR and its asset management company, either.

(Note: With Shoei Co., Ltd. as the surviving company, it has been merged with Hulic Co., Ltd. dated July 1, 2012. The company's name has been changed to Hulic Co., Ltd. on July 1, 2012.)

5. Status of the property acquirer

This domestic property is not acquired from the party having an interest in JHR and its asset management company.

6. Summary of the intermediary

(1) Summary of the intermediary

Name	Hulic Build Co., Ltd.
Location	Hulic Kabutocho Building, 6-7Kabuto-cho, Nihonbashi, Chuo-ku, Tokyo
Title and name of the representative	Akiharu Kitamura, Representative Director and President

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Capital	JPY90M as of July 1, 2012
Establishment	April 2, 2001
Business summary	Undertaking of construction, designing and supervising of construction, Facilities maintenance, Survey work, Office equipment and fixtures sales, Relocation business, Car park business on hourly basis, Vendor business, Real estate brokerage, and vending machines management
Relationship between the intermediary and JHR or its asset management company	Relationships that should be statutory reported such as capital relationship, human relationship, and business relationship do not exist between JHR, its asset management company and the intermediary. The related parties of JHR and its asset management company do not have any capital and human relationships that should be specifically reported with the related parties of the intermediary. The intermediary is a 100% subsidiary company of the seller of the new asset, Hulic Corporation, Ltd. The intermediary is not the related party of JHR and its asset management company. The related parties of the intermediary are not the related parties of JHR and its asset management company.

(2) Amount of the brokerage and its breakdown

The brokerage is not disclosed, as the intermediary has not agreed to disclose it.

7. The transfer agreement with condition precedent

In order to ensure the acquisition of the new assets, JHR has concluded the transfer agreement with conditions precedent dated today with the seller. This agreement contains the special condition that the issuance of the new investment units of JHR released today and fulfillment of the relevant fundraising are the condition precedent to the effectuation of the transfer agreement with the condition precedent. Therefore, in the event that JHR does not issue new investment units and does not fulfill the fundraising, the transfer agreement with condition precedent will be invalid without payment of the penalty, and it will not seriously impact on the finance or the source of dividend of JHR.

8. Settlement method

JHR will pay the acquisition price by the borrowing, JPY6B, cash on-hand, and fundraising through the issuance of the new investment units.

9. Acquisition schedule

(1) Hotel Keihan Universal City

Resolution for the acquisition	August 28, 2012
Conclusion of the acquisition agreement	August 28, 2012
Settlement and transfer	September 19, 2012 (plan)

(2) Sunroute Hotel Shinbashi

Resolution for the acquisition	August 28, 2012
Conclusion of the acquisition agreement	August 28, 2012
Settlement and transfer	September, 19, 2012 (plan)

10. Future prospect

With reference to the operating forecast for the fiscal year December 2012 (April 1, 2012 through December 31, 2012), please refer to the separate press release dated August 28, 2012 “Notice Concerning the Revision of

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the Operating Forecast for the fiscal year December 2012 (13th period).

* Website of Japan Hotel REIT Investment Corporation: <http://www.jhrth.co.jp/>

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Attachment 1 Detail of the new assets (Hotel Keihan Universal City)

Property No.	29		Property name	Hotel Keihan Universal City		
1. Asset summary (*1)						
Asset category		Real estate beneficial interest in trust				
Acquisition date		September 19, 2012				
Acquisition price		JPY6,000,000,000.-				
Appraisal value		JPY6,840,000,000.- (See attachment 1 for detail)				
2. Property summary (or Trusted property summary) (*2)						
Intended use of the property		Hotel				
Ownership	Land	Co-ownership and leasehold (Quasi Co-ownership)				
	Building	Building unit ownership (*3)				
Land	Plot No.	6-429 Shimaya, Konohana-ku, Osaka city and other				
	Address	6-2-78 Shimaya, Konohana-ku, Osaka city				
	Acreage	3,350.14m ² (*4)				
	Zoning	Commercial district. Semi-fire prevention district				
	Building-to-land ratio	80%				
	Floor area ratio	600%				
Building	Structure and floors	Steel structured building and steel-framed reinforced concrete building. Twenty-one story above ground				
	Intended use	Hotel				
	Completion	June 2001				
	Total floor area	17,252.71m ² (*5)				
	Designer	Nikken Sekkei Ltd. and Maeda Corporation				
	Main contractor	Maeda Corporation				
Building confirmation		The Building Center of Japan				
Present owner		Trustee: Mitsubishi UFJ Trust and Banking Corp. Beneficiary: Hulic Co., Ltd.				
3. Transportation (*6)						
One minute on foot from "Universal City" station of JR Yumesaki line						
4. Leasing status (*7)						
No. of tenant	1					
Rentable area	16,212.40 m ²					
Rented area	16,212.40 m ²					
Annual rent	Fixed rent	It is not disclosed. (*8)				
	Variable rent	-				
Security deposit and guarantee money	They are not disclosed. (*8)					
Occupancy progress of the last five years based on the area	January 2008 to December 2008	January 2009 to December 2009	January 2010 to December 2010	January 2011 to December 2011	January 2012 to December 2012	
	100%	100%	100%	100%	100%	
5. Related company for the hotel operation (*9)						
Hotel tenant		K.K. Hotel Keihan				
Property manager		Best・Property Corporation				
6. Hotel website (*10)						
http://www.hotelkeihan.com/universal/index2.php						
7. Summary of the building investigation report						
Investigation company		Property Risk Solution Corporation				
Investigation date		July 12, 2012				
Repair cost	Urgently required	JPY0.-				
	Required within one year	JPY0.-				
	Total cost required for another twelve years	JPY348,311,000.-				
Quake PML ratio (*11)		8.7%				

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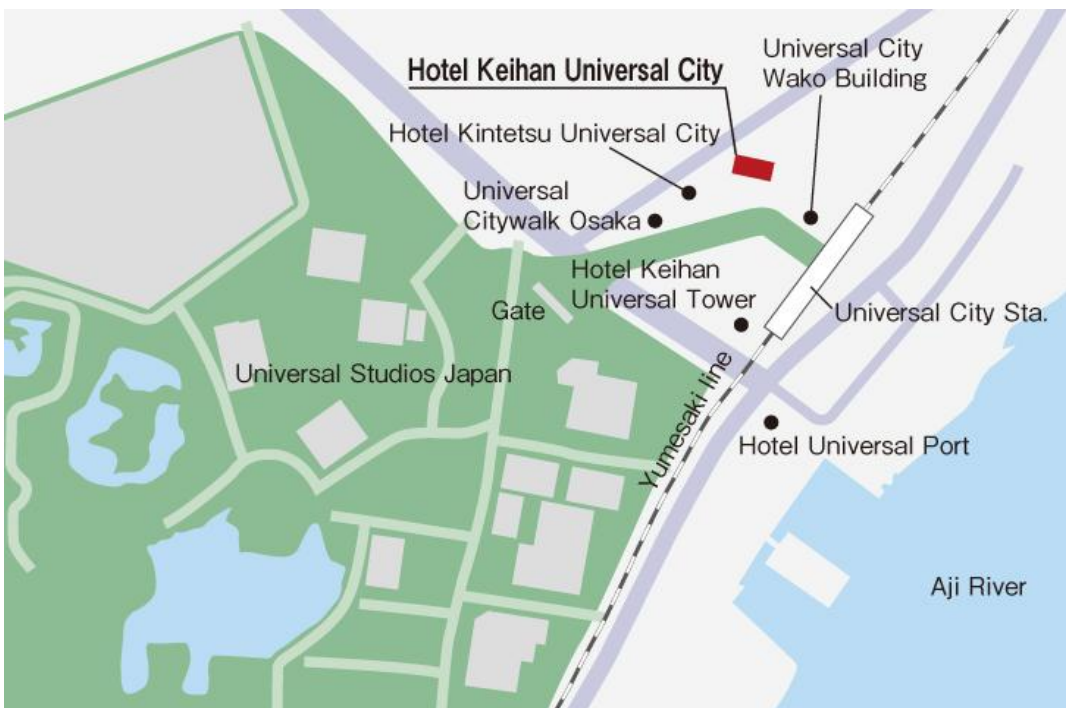
8. Special remark (*12)

With reference to the transfer of the land and building of the new asset, it is necessary to take approvals from other business owners based on the agreement between the business owners, approvals from the Osaka city based on the basic agreement between business owner and Osaka city, written approval from Osaka city (lessee) based on the lease agreement between business owner and Osaka city, and written notification to the administrator based on the incidental regulation. With reference to the transfer of the beneficiary interest in trust, the written approval needs to be taken from Osaka city and the specific business owner(s) among other business owners. JHR, as the quasi co-owner of the property rights, incurs the joint financial obligations according to the share of the quasi co-ownership. In particular, JHR has obligation to buy the leased land at the value of the vacant lot according to the share of the quasi co-ownership upon the expiration of the lease agreement.

- (*1) The asset summary
 - Asset category indicates the asset classification.
 - Acquisition price is the price stated on the contract and does not include the acquisition cost such as brokerage.
- (*2) Property summary (Trust property summary)
 - Structure, number of stories, use of the building and building completion have been taken from the registration book. If erroneous information has been identified by the investigation, data on the registration book are not applied.
 - Zoning is indicated pursuant to the “Use District”, “Special Use District”, and “Fire Prevention District and Quasi-Fire Prevention District” of Article 8-1-1, 8-1-2 and 8-1-5 of City Planning Act.
- (*3) Ownership of the building
 - The building of Hotel Keihan Universal City is the building unit ownership building called “Universal City Walk Osaka” (Total floor area 94,077.67m²) which include two hotels (the new asset and Kintetsu Universal City), business Facility (Universal City Wako), commercial facility and cooling facility. The share of the common area and voting share are approximately 22.15% (16,159/72,946).
- (*4) Acreage
 - The land of the Hotel Keihan Universal City consists of the land with co-ownership and the land with quasi ownership leased from Osaka city. According to share, JHR owns 1,674.76m² land out of 8,785.43m² (95,290 out of 499,870, approximately 19.06%) and 1,675.38m² ground lease (95,290 out of 499,870, approximately 19.06%).
- (*5) The total floor area
 - The total floor area is based on the completion drawing of new construction.
- (*6) Transportation
 - The information is based on the website of the hotel lessee.
- (*7) Leasing status
 - No. of tenants is the number of tenant JHR will have direct lease agreement.
- (*8) It is not disclosed, as the lessee did not agree to disclose it.
- (*9) Related company for the hotel operation
 - Indicated hotel lessee is the lessee JHR has planned. Property manager is the company JHR has planned to entrust the property.
- (*10) Website address of the hotel
 - Website address the hotel lessee has provided.
- (*11) PML
 - PML(Probable Maximum Loss) is the anticipated damage ratio by the earthquake. No unified definition has been made yet but the anticipated loss amount caused by the earthquakes that may occur in another 475 years irrespective of the earthquake size and the probability are calculated and statistically processed. It indicates the anticipated ratio of the loss amount against the building replacement cost. It has been calculated based on the site investigation, valuation of building condition report, confirmation of the consistency with the design document, ground investigation, local factors and structural investigation.
- (*12) Special remarks
 - In principle, (1) Right or restriction based on the right of the third party besides the tenant of the building (2) Management regulations and important matters stipulated by the agreement or memoranda concluded with other co-owners of the building unit ownership of building or quasi co-ownership of ground lease, (3) Important restrictions stipulated by the law designated by the governing organization for the subject real estate.
- (*13) The amount less than JPY1,000 is rounded off.

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Attachment 2 The local characteristics and the market summary (Hotel Keihan Universal City)

<p>Local characteristics</p> <p>USJ and Universal City Station of JR Yumesaki line are surrounded by four official hotels (the new asset, Hotel Keihan Universal Tower, Hotel Kintetsu Universal City, and Hotel Universal Port) as well as the Universal Citywalk Osaka, a large-scale commercial facility with restaurants. They jointly form a great urban commercial resort for the extensive market area.</p>
<p>Market summary</p> <p>Number of USJ visitors impacts USJ official hotels. According to the Nikkei Newspaper dated July 6, 2012, USJ visitors during the period from April 2012 to June 2012 increased by approximately 25% in comparison with the same month last year, and the tourists in Tokyo Metropolitan area who will visit USJ during the period from July 2012 to September 2012 are also expected to increase by 20% to 30%. The prospect of leisure demand is favorable. Moreover, USJ will open “The Wizarding World of Harry Potter” on 2014 by injecting approximately JPY45B, the biggest investment since the opening of USJ, and more than ten million people are expected to visit USJ for this new attraction.</p>
<p>Map of the asset to be acquired</p>  <p>The map illustrates the location of the asset to be acquired, Hotel Keihan Universal City, which is highlighted in red. It is situated near Universal City Station and the JR Yumesaki line. Other nearby facilities include Hotel Kintetsu Universal City, Universal Citywalk Osaka, Hotel Keihan Universal Tower, Universal City Wako Building, Hotel Universal Port, Universal Studios Japan, and the Aji River.</p>

Note: The above local characteristics and the market summary have been extracted or summarized from the Appraisal Report of Rich Appraisal Institute and the Market and Business Research Report made by Deloitte Tohmatsu Financial Advisory Co., Ltd.

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Attachment 3 Pictures of the building exterior and the internal furnishings of the new asset (Hotel Keihan Universal City)

Building Exterior Appearance



Character Family Twin Room (27m2)



Family Twin Room (27m2)



Triple Room (35m2)



Connect room (54m2)



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Attachment 4 Detail of the new asset (Hotel Sunroute Shinbashi)

Property No.	30		Property name	Hotel Sunroute Shinbashi		
1. Asset summary (*1)						
Asset category		Real estate beneficial interest in trust				
Acquisition date		September 19, 2012				
Acquisition price		JPY4,800,000,000.-				
Appraisal value		JPY5,640,000,000.- (See attachment 1 for detail)				
2. Property summary (or Trusted property summary) (*2)						
Intended use of the property		Hotel				
Ownership	Land	Ownership				
	Building	Ownership				
Land	Plot No.	4-34-1 Shinbashi, Minato-ku, Tokyo				
	Address	4-10-2 Shinbashi, Minato-ku, Tokyo				
	Acreage	761.01m ²				
	Zoning	Commercial district. Fire prevention district				
	Designated building-to-land ratio	80%				
	Designated floor area ratio	700%				
Building	Structure and floors	Steel structured building and steel-framed reinforced concrete building sixteen stories above ground with one below				
	Intended use	Business hotel and shop(s)				
	Construction	March 2008				
	Total floor area	5,476.39m ²				
	Designer	Kajima Corporation, the office of registered architects				
	Main contractor	Kajima Corporation				
	Building confirmation	The Building Center of Japan				
Present owners		Trustee: Sumitomo Mitsui Trust Bank, Ltd. Beneficiary: Hulic Co., Ltd.				
3. Transportation (*3)						
4 minutes on foot from “Karasumori” exit of “Shinbashi” station of JR Yamate line and Keihin Tohoku line						
4. Leasing status (*4)						
No. of tenant	4					
Rentable area	4,687.69 m ²					
Leased area	4,687.69 m ²					
Annual rent	Fixed rent	JPY287,815,000.-				
	Variable rent	Sunroute Co., Ltd. is paying the variable rent besides the fixed rent above.				
Security deposit and guarantee money	JPY65,548,000.-					
Occupancy of the last 5 years based on the area	Jan.2008 to Dec. 2008	Jan. 2009 to Dec. 2009	Jan. 2010 to Dec. 2010	Jan. 2011 to Dec. 2011	Jan. 2012 to Dec. 2012	
	100%	100%	100%	100%	100%	
5. Related company for the hotel operation (*5)						
Hotel lessee		Sunroute Co., Ltd.				
Trustee of the Building management		Xymax Cube Corporation				
6. Hotel website (*6)						
http://www.sunroutehotel.jp/shinbashi/						
7. Summary of the building investigation report						
Investigation company		Property Risk Solution Corporation				
Investigation date		July 10, 2012				
Repair cost	Urgent	JPY0.-				
	Within one year	JPY0.-				
	Another 12 years in total	JPY64,840,000.-				
Quake PML ratio (*7)		6.8%				

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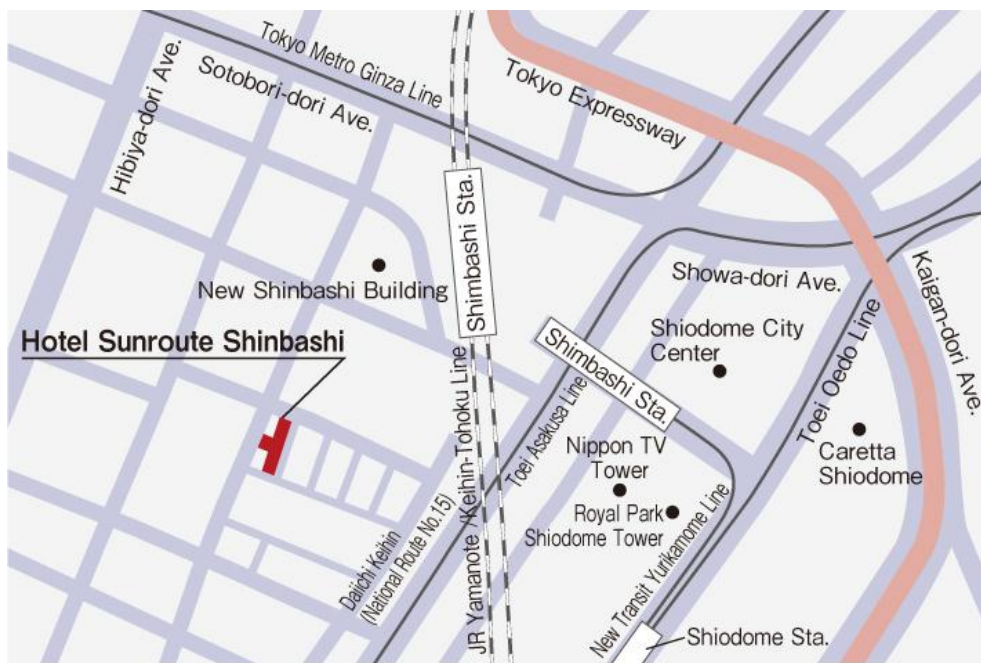
8. Special remark (*8)

The west side street of the new asset has been designated as the city planning road (Road No. 2 near Shinbashi station), and the part of west side land of the hotel has been the site for constructing the new city planning road. If this city planning road project was approved and the land is purchased, a part of the property will need to be removed for this construction and the hotel may be the incompliant building.

- (*1) The asset summary
 - Asset category indicates the asset classification.
 - Acquisition price is the price stated on the contract and does not include the acquisition cost such as brokerage.
- (*2) Property summary (or Trust property summary)
 - Acreage, floor space, structure, number of stories, use of the building and building completion have been taken from the registration book.
 - If erroneous information has been identified by the investigation, data on the registration book are not applied.
 - Zoning is indicated pursuant to the “Use District”, “Special Use District”, and “Fire Prevention District and Quasi-Fire Prevention District” of Article 8-1-1, 8-1-2 and 8-1-5 of City Planning Act.
- (*3) Transportation
 - The information is based on the website of the hotel lessee.
- (*4) Leasing status
 - No. of tenants is the number of tenant(s) JHR will have direct lease agreement.
- (*5) Related company for the hotel operation
 - Indicated hotel lessee is the lessee JHR has planned. Property manager of the building is the company JHR has planned to entrust the property.
- (*6) Website address of the hotel
 - Website address the hotel lessee has provided.
- (*7) PML

PML(Probable Maximum Loss) is the anticipated damage ratio by the earthquake. No unified definition has been made yet but the anticipated loss amount caused by the earthquakes that may occur in another 475 years irrespective of the earthquake size and the probability are calculated and statistically processed. It indicates the anticipated ratio of the loss amount against the building replacement cost. It has been calculated based on the site investigation, valuation of building condition, confirmation of the consistency with the design document, ground investigation, local factors and structural investigation.
- (*8) Special remarks
 - In principle, (1) Right or restriction based on the right of the third party besides the tenant of the building (2) Management regulations and important matters stipulated by the agreement or memoranda concluded with other co-owners of the building unit ownership of building or quasi co-ownership of leasehold, (3) Important restrictions stipulated by the law designated by the governing organization for the subject real estate.
- (*9) The amount less than JPY1,000 is rounded off.

Attachment 5 The local characteristics and the market summary (Hotel Sunroute Shinbashi)

<p>Local characteristics</p> <p>The new hotel is situated four minutes on foot from “Shinbashi” station, the termination station for JR line and the subway. The large-scale commercial district has been formed in this Shinbashi area centering on Shinbashi station, and distinguished entertainment district has been developed in the West side of the station. The East side of the station has the commercial complex (“Caretta Shiodome”), headquarter buildings of the major public companies and high end hotels. They constitute a large-scale commercial area called “Shiodome Shiosite” that starts from “Shiodome” station. Moreover, this area adjoins Ginza with the shops of the flagship brands and department stores at North East, Uchisaiwai-cho and Hibiya area with the headquarters of the financial institutions, Kasumigaseki area with the governmental agencies and Toranomon, the major business district at West to South West. Furthermore, the city planning road (so called “MacArthur Street”) is being developed at the South side of this area connecting Daiichi Keihin and Sotobori Street, and further development is expected in Shinbashi area with this new route.</p>
<p>Market summary</p> <p>The Shinbashi area is superior in transportation access and this market is capable of widely accommodating demands of not only the areas nearby but the areas along the public railroad lines. According to the “Visit ratio by city and sightseeing area” compiled by JNTO (Japan National Tourism Organization), the areas adjacent to Shinbashi such as Ginza, Yurakucho and Hibiya enjoys high inbound ratios (second to Shinjuku) and more foreign hotel guests are expected by increased inbounds to Japan. Meanwhile, Shinbashi area enjoys good accesses in the areas surrounded by Yamate line but number of hotels is relatively lower than that of other major stations areas.</p>
<p>Map around the new property</p>  <p>The map illustrates the location of Hotel Sunroute Shinbashi (marked with a red 'H') in the Shinbashi area. Key features include: <ul style="list-style-type: none"> Transportation: JR Yamanote Line, Keihin-Tohoku Line, and the intersection of Daiichi Keihin (National Route No. 15) and Sotobori-dori Ave. are shown. Major lines like the Tokyo Metro Ginza Line, Toei Asakusa Line, Toei Oedo Line, and New Transit Yurikamome Line are also depicted. Landmarks: Shinbashi Station, Shiodome City Center, Nippon TV Tower, Royal Park, Shiodome Tower, and Caretta Shiodome are labeled. Streets: Hibiya-dori Ave., Showa-dori Ave., and Kaigan-dori Ave. are shown. Infrastructure: The Tokyo Expressway and the New Shinbashi Building are also indicated. </p>

Note: The above local characteristics and the market summary have been extracted or summarized from the Appraisal Report of Daiwa Real Estate Appraisal Co., Ltd. and the Hotel Market Report of Japan Hotel Appraisal Co., Ltd.

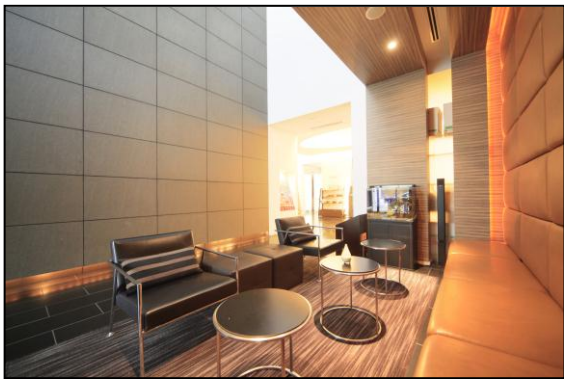
Note: This documents is intended to serve as a press release to make available the information on public offerings and secondary offering of units only. This documents should not be construed as an offer to sell or solicitation of an offer to purchase any unit or other investment of JHR. Prospective investors are advised to read the JHR’s prospectus for new unit issuance and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

Attachment 6 Pictures of the building exterior and the internal furnishings of the new asset (Hotel Sunroute Shinbashi)

Building exterior appearance



Lobby



Front



Single room (13m2)



Semi-Double Room (14m2)



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<Reference 1> Summary of the Appraisal Report
Hotel Keihan Universal City

Summary of the appraisal report	
Appraisal company	Rich Appraisal Institute
Price	As of June 28, 2012
Appraisal value	6,840,000,000
Price	6,840,000,000
Price by the direct capitalization method	7,100,000,000
Gross income	563,574,000
Rent income	528,374,000
Fixed rent	528,374,000
Variable rent	0
Other income	35,200,000
Total cost	75,036,000
Net operating income (NOI)	488,538,000
Net cash flow (NCF)	468,859,000
Ratio of yield	6.6%
Price by DCF method	6,840,000,000
Discount rate	6.4%
Terminal cap rate	6.7%
Price based on the current value	3,670,000,000
Land price	1,295,000,000
Building price	2,376,015,000

Hotel Sunroute Shinbashi

Summary of the appraisal report	
Appraisal company	Daiwa Real Estate Appraisal Co., Ltd.
Price	As of June 28, 2012
Appraisal value	5,640,000,000
Price	5,640,000,000
Price by the direct capitalization method	5,780,000,000
Gross income	358,448,000
Rent income	327,975,000
Fixed rent	287,815,000
Variable rent	40,160,000
Other income	30,473,000
Total cost	62,878,000
Net operating income (NOI)	295,569,000
Net cash flow (NCF)	294,678,000
Ratio of yield	5.1%
Price by DCF method	5,580,000,000
Discount rate	4.7%
Terminal cap ratio	5.3%
Price based on the current value	4,400,000,000
Land price	3,415,590,000
Building price	981,750,000

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<Reference 2> List of Portfolio after acquisition of the new assets

Property No.	Property name	Type	Hotel grade	No. of guest rooms (*1)	Location (*2)	Building completion	Acquisition price or scheduled acquisition price (JPYIM)(*3)	Investment ratio (*4)
1	Kobe Meriken Park Oriental Hotel	City	Upper Middle	319	Kansai	July 1995	10,900	8.3%
2	Oriental Hotel Tokyo Bay	City	Mid-price	503	Kanto (except for Tokyo)	May 1995	19,900	15.1%
3	Namba Oriental Hotel	Business	Mid-price	257	Kansai	August 1996	15,000	11.4%
4	Hotel Nikko Alivila	Resort	Luxury	396	Okinawa	April 1994	18,900	14.3%
5	Oriental Hotel Hiroshima	City	Upper Middle	227	Other	September 1993, extended on September 2006	4,100	3.1%
6	Ibis Tokyo Shinjuku	Business	Mid-price	206	Tokyo	September 1980	7,243	5.5%
7	Hotel Resol Sapporo Minaminiyou	Business	Economy	116	Other	August 1992	850	0.6%
8	The Beach Tower Okinawa	Resort	Mid-price	280	Okinawa	March 2004, extended on June 2005 and May 2006	7,610	5.8%
9	Hakone Setsugetsuka	Resort	Mid-price	158	Kanto (except for Tokyo)	October 2006	4,070	3.1%
10	Domny Inn Kumamoto	Business	Mid-price	294	Other	January 2008	2,334	1.8%
11	Domny Inn Namba	Business	Economy	105	Kansai	February 1999	1,270	1.0%
12	Domny Inn Suidobashi	Business	Economy	99	Tokyo	August 1986, extended on September 1989	1,120	0.9%
13	Domny Inn Asakusa	Business	Economy	77	Tokyo	March 1997	999	0.8%
14	Hakata Nakasu Washington Hotel Plaza	Business	Mid-price	247	Other	March 1995	2,130	1.6%
15	Nara Washington Hotel Plaza	Business	Mid-price	204	Kansai	March 2000	2,050	1.6%
16	R&B Hotel Ueno-Hirokoji	Business	Economy	187	Tokyo	April 2002	1,720	1.3%
17	R&B Hotel Higashi-Nihonbashi	Business	Economy	203	Tokyo	March 1998	1,534	1.2%
18	Comfort Hotel Tokyo Higashi-Nihonbashi	Business	Economy	259	Tokyo	January 2008	3,746	2.8%
19	Comfort Hotel Shin-Yamaguchi	Business	Economy	139	Other	August 2007	866	0.7%
20	Pearl Hotel Kayabacho	Business	Economy	268	Tokyo	January 1981	3,121	2.4%
21	Daiwa Roynet Hotel Akita	Business	Economy	221	Other	June 2006	1,760	1.3%
22	Kamogawa Inn Nihonbashi	Business	Economy	164	Tokyo	March 1997	2,108	1.6%
23	Hotel Sunroute Niigata	Business	Mid-price	231	Other	August 1992	2,105	1.6%
24	Tokyo Inn Hakataguchi Ekimae	Business	Economy	257	Other	September 2001	1,652	1.3%
25	Bista Hotel Kamata	Business	Economy	106	Tokyo	January 1992	1,512	1.1%
26	Chisan Inn Kamata	Business	Economy	70	Tokyo	April 2003	823	0.6%
27	Hotel Bista Hashimoto	Business	Economy	99	Kanto (except for Tokyo)	December 1986	1,510	1.1%
29	Hotel Keihan Universal City	Resort	Mid-price	330	Kansai	June 2001	6,000	4.6%
30	Hotel Sunroute Shinbashi	Business	Mid-price	220	Tokyo	March 2008	4,800	3.6%
	Total	-	-	6,242	-	-	131,733	100.0%

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(*1) The number of guest rooms available for guests is indicated for each hotel (Rooms having been occupied for a long time by the hotel itself is exclusive.)

(*2) Kansai means Kyoto, Osaka, Shiga, Hyogo, Nara and Wakayama prefectures. Kanto except for Tokyo means Kanagawa, Chiba, Saitama, Ibaragi, Gunma, Tochigi and Yamanashi prefectures. Tokyo and Okinawa mean Tokyo Metropolitan area and Okinawa respectively.

(*3) For the assets owned by Nippon Hotel Fund Investment Corporation and new asset, the acquisition prices indicated by the sales contracts for the beneficiary interest in trust or the real estate sales contracts (consumption tax and local consumption tax exclusive) are stated. For the assets owned by Japan Hotel and Resort, Inc., the prices re-evaluated by the merger are stated. It does not include the incidental cost such as tax or brokerage.

(*4) Each acquisition price to the total acquisition price (scheduled acquisition inclusive) or ratio of the scheduled acquisition price is indicated and they are rounded off to two decimal places.

(*5) Property No. 28 for “Millennia Hotel Matsuyama” scheduled to be disposed of is missing number. See “Notice Concerning Disposition of Asset” dated today for detail.